GOVERNMENT OF INDIA
HUMAN RESOURCE DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:2796
ANSWERED ON:20.03.2017
Higher Education Financing Agency
Ahlawat Smt. Santosh;Saraswati Shri Sumedhanand;Thakur Shri Anurag Singh

Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) whether the Ministry has signed a Memorandum of Understanding (MoU) for the setting up of Higher Education Financing Agency (HEFA) that would provide funds to boost research-oriented infrastructure for premier Central institutions, if so, the details thereof including the functions and compositions of the Agency;
(b) the powers delegated to this new agency to shape up Central institutions;
(c) whether the Government is considering setting up of specialised body to conduct all entrance examinations currently held by the Central Board of Secondary Education (CBSE) such as the National Eligibility Test, Joint Entrance Examination and National Eligibility cum Entrance Test among others, if so, the details thereof; and
(d) whether the Government is also considering establishing a National Testing Service to help standardise all the tests, if so, the details thereof and the progress in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT
(DR. MAHENDRA NATH PANDEY)

(a) & (b): Yes Madam, a Memorandum of Understanding (MoU) has been signed between Ministry of Human Resource Development and Canara Bank on 9th February, 2017 for setting up the Higher Education Financing Agency (HEFA) for financing creation of required infrastructure and for promotion of research facilities in the centrally aided institutions of higher learning by leveraging funds from the market. The Government would provide equity of Rs. 1,000 Cr for setting up the HEFA which will be established as a Non Banking Financing Company (NBFC) and work as Special Purpose Vehicle (SPV) with the association of Canara Bank. HEFA would also mobilize Corporate Social Responsibility (CSR) funds from corporate. The loans provided by HEFA to the institutions would be serviced from the internal accruals of these institutions, and the Government would meet the cost of interest on such loans. This is expected to have a positive impact in improving the quality of education in the centrally funded higher educational institutions without burdening the student community.
(c) & (d): In pursuance to the Budget Announcement 2017-18, the Government is in process of establishing a National Testing Agency as an autonomous and self-sustained premier testing organization to conduct all entrance examinations for higher education institutions. The process of establishing of National Testing Agency is underway.
******